

If a sale is made in a jurisdiction that imposes a local retailers' occupation tax, that local jurisdiction's tax will be incurred on that sale. See 86 Ill. Adm. Code 270.115(b). (This is a GIL.)

January 25, 2013

Dear:

This letter is in response to your letter dated January 8, 2013, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am a resident of Franklin Park, Illinois in Cook County.

I have a question and hope I am directing this letter to the correct department. I noticed on my grocery receipts that Tax 2 varies from store to store and I am wondering why.

At STORE1 the tax on the receipt shows 8.25%. On another STORE1 receipt the tax shows 8%. At STORE2 the tax shows 9.250. At STORE3, the tax shows 9.25% tax. STORE4's 9.50% tax.

I am confused about the difference in taxes. Perhaps that is why Illinois is in financial difficulty or perhaps I just don't understand why it varies from store to store.

It would be very much appreciated if you could explain this to me. I have other receipts also if you would like me to send them to you.

Thank you for your attention and assistance.

#### **DEPARTMENT'S RESPONSE:**

The Retailers' Occupation Tax rate and Use Tax rate imposed by the State of Illinois are 6.25% and 1%, depending on the type of item being sold. See Sections 130.310 and 130.311. Unlike the state tax rates noted above, local tax rates vary depending on the tax rate imposed by the local government in a particular jurisdiction. For local tax rates, see the Department's Tax Rate Database and the Tax Rate Finder on the Department's website at [www.tax.illinois.gov](http://www.tax.illinois.gov). Once on the website, you will see on the left hand side a box entitled "Quick Links". At the bottom of that box is a link entitled "Tax Rate Database". Click on that link which will take you to a screen entitled "Tax Rate

Database". In the middle of the screen click on the link entitled "Sales Tax". Toward the bottom of the middle of that screen you will see a link entitled "Tax Rate Finder". Click on that link which will take you to another screen. At the bottom of that screen click the "Start" button on the bottom right of the screen. At the bottom of the next screen, click on the "Continue" button. On the next screen, click on the "Accept" button, which takes you to the "Search" screen. This screen permits you to find the particular area you are interested in searching to find out the tax rates in that area for specific months.

For your convenience, I enclosed copies of the combined tax rates (state and local retailers' and service occupation taxes) for the locations about which you inquired that you would find on the Tax Rate Finder. You will see that the tax rate on general merchandise in Franklin Park in December 2012 was 8.250%. Effective January 1, 2013, however, the tax rate for that location on general merchandise decreased to 8.00%. The tax rate on general merchandise in Elmwood Park in December 2012 was 9.250%. Effective January 1, 2013, however, the tax rate for that location on general merchandise decreased to 9.00%. The tax rate on general merchandise in Melrose Park in December 2012 was 9.500%. Effective January 1, 2013, the tax rate for that location on general merchandise decreased to 9.250%. Finally, the tax rate on general merchandise in Northlake in December 2012 was 9.250%, and effective January 1, 2013, the tax rate for that location on general merchandise decreased to 9.00%.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

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